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TAGS: [PGOV](#) [PREL](#) [AR](#)  
SUBJECT: ARGENTINA: CHACO SENATOR CAPITANICH DISCUSSES  
NATIONAL AND PROVINCIAL THEMES

Classified By: Ambassador E. Anthony Wayne for Reasons 1.4 (b) and (d).

¶1. (SBU) SUMMARY: On August 9, Ambassador Wayne received Senator Jorge Capitanich, a pro-Kirchner candidate for governor in the poor northern province of Chaco. Capitanich described the main themes of his gubernatorial campaign and the lack of critical infrastructure in his province. He explained his support for the civil aviation reform bill that is still awaiting passage. Capitanich lamented the decreased political role of the National Congress, and said that he believes Senator and First Lady Cristina Fernandez de Kirchner will win the presidency in October. END SUMMARY.

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Capitanich for Governor  
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¶2. (SBU) On August 9, Ambassador Wayne received Senator and candidate for governor Jorge Capitanich from Chaco province. Capitanich described the main themes of his gubernatorial campaign and the lack of critical infrastructure in his province. Capitanich, 42, is running with President Kirchner's FPV coalition. He said that the province of Chaco is suffering from a significant lack of development. He said that 22% of the province's population falls below the poverty line, 100,000 residents are malnourished, 50% do not have access to potable water, and 60% lack running water and sewers. Capitanich said that these problems were the result of a lack of infrastructure and mismanagement, since the province receives federal resources that should be sufficient to address these issues. He said that he has three main campaign themes: creation of jobs, access to potable water, and improving education. Capitanich said he has a plan to create 20,000 new formal jobs in Chaco by investing in public works to build public housing and water and sewer systems. He said he would use incentives and subsidies to encourage employers and employees working in the informal economy to legitimize off-the-books employment. Capitanich also said he would propose an education exchange if elected governor. He said that his plan was to exchange federal debt for education investment in the province.

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Civil Aviation Reform: Contraband Flights in North  
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¶3. (U) Ambassador Wayne asked Capitanich about the status of the airports fee structure bill and thanked him for being a strong supporter of these reforms, which, among other

things, would lower the fees airlines (including American carriers) would pay in Argentina. Speaking about the aviation system in general, Capitanich said that he believes Argentina is in serious need of modernization. He mentioned that new radars had just been approved, but that better investment in airports and the creation of a civil aviation agency was also needed. He said that Argentina needs strong control of air traffic. He mentioned that this is a big concern in his home province of Chaco, where flights carrying contraband including drugs and arms pose a serious threat. He said that he would work to improve control of air traffic in Chaco if elected governor.

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Weak Congress  
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14. (C) Capitanich said that institutionally, the National Congress in Argentina plays no real political role. He said that perhaps after the elections in October Congress might return to more normal activity. He said that under President Nestor Kirchner, the Congress has been marginalized and ignored. Capitanich said that he thinks Congress needs to get its power back and assert itself in the political activity in Argentina.

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Cristina for President  
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15. (C) Capitanich said that he believes Senator and First Lady Cristina Kirchner will win the October presidential elections easily. He said that he believes she will have an important agenda, including reinserting Argentina into the

international community and working to attract more foreign investment in Argentina, especially in the energy sector.

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Invitation to visit Chaco  
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16. (C) Capitanich invited Ambassador Wayne to visit Chaco province. He said that, if elected governor, he would like to increase ties between the province and the United States. He specifically mentioned trying to increase student and teacher exchanges, commercial ties, sporting ties and cultural exchanges, and biofuels. Capitanich said he has been following USG efforts to work with Brazil on biofuels and he would like to try to join those efforts. He said that he has a different view of the U.S. than most Argentines right now (apparently referring to the high reported anti-American sentiment), believing the United States should be Argentina's main partner in development. He said that he knows this view does not always win votes, but he believes a strategic alliance with the United States would be good for Argentina's future. Capitanich also mentioned an interest in attracting more information technology investment to Chaco.

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Bio  
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17. (U) Jorge Milton Capitanich is a Peronist Senator representing the province of Chaco. He is articulate and has proven a willingness to proactively intervene to find solutions on key issues as Senator. He was elected in 2001 and sits in the pro-President Kirchner Victory Front Block in the Senate. Capitanich served as Minister of Economy for a few hours during Ramon Puerta's two-day provisional Administration after the fall of President De la Rúa in December 2001. In 2003, he ran for governor of Chaco, but was defeated by Roy Nikisch of the Radical Civic Union, despite strong campaign support from President Kirchner. Among other public positions, he served as Under Secretary of Social Projects (1998) and Under Secretary of Technical and Administrative Coordination of the Secretariat of Social Development (1995). Capitanich descends from the first

Montenegrins who settled in Chaco and created the Colonia La Montenegrina, the biggest Montenegrin colony in South America. He was an academic before entering politics. He graduated as a Public Accountant in 1988 and holds Master's degrees in Public Policies and Administration, Economy and Political Sciences, and Administration Sciences. He was born in Chaco in 1964.

WAYNE